BOND, SCHOENECK & KING, PLLC
ATTORNEYS AT LAW • NEW YORK FLORIDA KANSAS

KEVIN M. BERNSTEIN
Direct: 315-218-8329
Fax: 315-218-8429
kbernstein@bsk.com

May 14, 2010

VIA FEDERAL EXPRESS

MAY 17 2010
RECEIVED

Peter Briggs
Chief, Permits Section
New York State Department of
Environmental Conservation
Division of Mineral Resources
Bureau of Oil & Gas Regulation
625 Broadway, 3rd Floor
Albany, NY 12233-6500

Re: *Finger Lakes LPG Storage, LLC, Schuyler County*
Revised Reservoir Suitability Report and Response to DEC
Notice of Incomplete Application

Dear Peter:

As you are aware, our client, Finger Lakes LPG Storage, LLC ("Finger Lakes") is proposing the construction of a multi-cycle LPG storage system with a pipeline connection and rail and truck load/unload racks in the Town of Reading, Schuyler County ("the Project"). We are in receipt of the Department's January 11, 2010 Notice of Incomplete Application ("NOIA") for our Underground Storage Permit Application.

On behalf of Finger Lakes and in response to the NOIA, we submit an original and one (1) copy of the following:

1. Revised Reservoir Suitability Report with Exhibits 1-26; and

2. Response to January 11, 2010 NOIA with Exhibits A-F.

If you have any questions, please feel free to contact me. Thank you.

Sincerely,

BOND, SCHOENECK & KING, PLLC

Kevin Bernstein

Kevin M. Bernstein

cc: (w/enclosures)

Jennifer Maglienti, Esq., NYSDEC	***via First Class Mail***
Linda Collart, NYSDEC	***via Federal Express***
William Glynn, NYSDEC	***via First Class Mail***
Roger McDonough, NYSDEC	***via Federal Express***
William Kelly, NYSGS	***via Federal Express***
William Moler, Finger Lakes	***via First Class Mail***
Barry Cigich, Finger Lakes	***via First Class Mail***
Barry Moon, Finger Lakes	***via First Class Mail***
Leonard Dionisio, Finger Lakes	***via First Class Mail***
John Istvan, IGC	***via First Class Mail***

RECEIVED
MAY 17 2010
DIVISION OF
MINERAL RESOURCES

Finger Lakes LPG Storage, LLC

Finger Lakes LPG Storage Facility
Reading, New York

Response to DEC January 11, 2010 Notice of Incomplete Application

Filed: May 14, 2010

Response of Finger Lakes LPG Storage, LLC to DEC's January 11, 2010 Notice of Incomplete Application ("NOIA")

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Finger Lakes LPG Storage, LLC, Schuyler County

3. **Transfer of Well Plugging Responsibilities** - Approval of such transfer requires properly completed request for transfer forms, followed by compliance inspection of the wells by Regional staff and verification of financial security.

DEC Comment: All unplugged wells in Finger Lakes' Galleries 1 and 2 currently registered with other well owners [i.e., US Salt LLC and Seneca Lake Storage, Inc.("SLSI")] must be transferred prior to Finger Lakes performing any proposed well work that requires a permit in Finger Lakes' name.

Finger Lakes Response: *An application to transfer the wells in Galleries 1 and 2 to Finger Lakes is being provided with this Response as* ***Exhibit A****.*

4. **Full Environmental Assessment Form** - In contrast to the individual Environmental Assessment Form required with each drilling permit application, the Full Environmental Assessment Form ("EAF") is required to address the whole storage project, including any compressor site, any proposed lateral pipelines to power plants or transmission lines, and any proposed discharges. The Full EAF will be used to identify:

a. any need for additional Department permits including those that address brine handling and discharge/disposal.

DEC Comment: Finger Lakes provided a Full EAF with its storage application received on October 13, 2009. The following corrections must be made, and a revised form submitted. However, because this NOIA is limited to Division of Mineral Resources' issues, Finger Lakes should coordinate its revisions and submission of the revised EAF with any comments received from the Region 8 Avon Division of Environmental Permits office, and submit only one revised form to the Department.

Page 1 — The "Name of Lead Agency" must reflect the Commissioner's Lead Agency Decision when reached.

Page 2 — The address of the applicant must be corrected to reflect Finger Lakes' Organizational Report provided with the storage application.

Page 5 — The total amount of salt that will be removed from the site due to operational solution mining over the projected life of the project must be provided including a notation of the life of the project in years.

Page 8 — Additional approvals in the form of well transfers, well drilling permits and well plugging permits associated with the project will be required by the NYSDEC.

Page 10— The form appears to be signed by Michael Armstrong, Director Engineering. Mr. Armstrong is not listed in Box 7 of Finger Lakes' Organizational Report provided with the storage application, and therefore is not authorized to sign submittals to the Department.

Please have a person listed in Box 7 or Kevin Bernstein (project-specific authorization granted by Finger Lakes on October 20, 2009) sign the revised EAF.

Finger Lakes Response: *The changes requested on Pages 1, 2 and 8 have been made to the EAF. With regard to the information DEC requests be added on Page 5 of 21, Part 1, Section B(2), the EAF now refers to an attachment which provides this information, which will also be incorporated into the revised Reservoir Suitability Report. The revised EAF is now signed by Kevin Bernstein and is attached to this Response as Exhibit B. It was also submitted in connection with our response of April 27, 2010 to DEC's letter of March 19, 2010 from Roger McDonough of Region 8.*

5. **Map(s)** - Please prepare a map(s) at a minimum scale of 1" = 400' and include the following items. Submit as many separate maps as necessary to legibly depict the requested information.

DEC Comment: Generally speaking, the facility map (4/14/09, last updated 7/9/09) provided with the Finger Lakes storage application is deficient in many of the same ways as were maps provided by Inergy Midstream, LLC ("Inergy") for its other LPG storage application at Savona. The deficiencies for the Savona application were previously communicated by the Department to Inergy although they apparently were not considered when preparing the Finger Lakes application map. Most remarkably, the proposed ultimate cavern outlines and remaining pillar thicknesses at the end of the life of the project are absent from Finger Lakes' map. Specific map deficiencies are noted below and must be corrected, and a revised map or maps submitted.

a. Location, total depth, well type, well status and API well identification number of all wells listed in the Well Status and Condition Report described in item 9 below.

DEC Comment: Finger Lakes must supplement its map to include the requested information for all wells listed in the Well Status and Condition Report as described and required in below Item 9.

Finger Lakes Response: *The mapping effort has been revised and a revised map (and related cross-sections) is included with the Revised Reservoir Suitability Report.*

The map and cross-sections, in total, show each gallery and cavern outlines and pillar thicknesses. In addition, all requested information (depth, status, and API number) about each well in each gallery, along with information (including distances) on wells immediately adjacent to the storage area are included on the maps. In addition, the gallery map shows the new well location to be drilled in Gallery 1.

b. Location of all existing and proposed wells within and immediately adjacent to the storage area.

DEC Comment: Finger Lakes must supplement its map to include all wells listed in the Well Status and Condition Report as described and required in Item 9, including showing existing and plugged wells and gallery outlines in the south field located south of proposed LPG Gallery 2. The map must also show the locations of all proposed wells in Galleries 1 and 2.

Finger Lakes Response: *See Response to Comment in 5a. above. The distances from the wells in Galleries 1 and 2 to the next closest cavern to the south are included in the revised map being provided with the revised Reservoir Suitability Report.*

c. Plan view of the proposed reservoir boundary (i.e., existing and proposed ultimate cavern outlines which take into account directional surveys for wells). Clearly label each cavern to denote its current status, current use and proposed use under the requested permit. Include distance, in feet, between proposed ultimate cavern outlines and/or other existing caverns.

DEC Comment: Finger Lakes must supplement its map to include all requested information as described above. Wells in communication must be shown as such on the plan view. Presently, Finger Lakes' map provided with its storage application shows individual caverns in Gallery 1. Interconnections must be shown and a single gallery outline provided for both existing and proposed ultimate conditions for Galleries 1 and 2. The map must include a notation of the method by which the existing outlines were determined (e.g., sonar survey, production records). Each gallery's length and span at proposed ultimate capacity must be shown on the map. The distance, in feet, between proposed ultimate cavern outlines and other caverns/galleries in the field must be shown (i.e., remaining pillar thicknesses). These determinations must take into account any additional solution mining that may occur as a result of brine production at the US Salt LLC operation. For proposed storage Galleries 1 and 2, all current and past sonar surveys (outermost outline) must be included on the plan view. The Department has previously run sonar survey information (excluding the 2009 surveys) in its files as follows: Well Nos. 34, 43 & 44 - 1997, 1999, 2001, 2002, 2004 and Well No. 30 - 1997. Finger Lakes may submit as many maps as needed to clearly display the requested information, however; all sonar survey outlines should be shown and appropriately labeled on a single map.

For the portion of the cavern outline currently shown on the map due west of Well No. 34, it is the Department's understanding that this linear feature would be re-evaluated prior to submission of this storage application because the sonar for Well No. 34 does not show such a feature. Rather, the linear feature shown is from Well No. 44's sonar. This issue with the map for the facility was discussed during our field visit in May 2009. Please explain why the linear feature was retained or correct this portion of the cavern outline.

In addition, for wells with directional surveys, wellhead and production casing shoe locations must be clarified on Finger Lakes' map or maps. In addition to any symbol used to denote casing shoe locations, wellhead symbols (e.g., 33, 43, 34, 44, new wells) must also be included in a legend.

The relative closeness of the gallery (Well Nos. 18, 55 [sic][1], 57, aka International Gallery 10) immediately to the north of proposed storage Gallery 1 is of potential concern to the Department. For each of the three wells identified in the gallery, provide a well diagram showing the depth of top of salt, existing casing, mechanical plugs and cement. Please provide any additional information Finger Lakes may have to show that no interconnection between the noted galleries currently exists or will be formed during operation of the proposed project or if such a connection is made, that International Gallery 10 would adequately contain LPG stored in Gallery 1. Inadvertent communication between Finger Lakes Gallery 1 and International Gallery 10 could provide a possible route of escape for stored product at some future date after Gallery 1 is activated. In addition, do directional surveys exist for the identified wells (Well Nos. 18, 55, 57)? Finger Lakes facility map shows a current pillar thickness between the galleries of approximately 70 feet. Is any pressure testing of International Gallery 10 contemplated? The Department may require re-entry and hydrostatic pressure testing of International Gallery 10 (along with full complement of directional survey, sonar survey, nitrogen/brine interface MIT on re-entered well) upon receipt and evaluation of Finger Lakes' response to this NOIA.

Finger Lakes Response: [redacted]

d. All faults or other structural or stratigraphic features depicted on the cross-sections described in item 6a below.

DEC Comment: See Department responses to below Items 6a and 6b.

Finger Lakes Response: *No structural or stratigraphic "features" or anomalies have been found.*

[1] The reference to well 55 is incorrect; the reference in the comment should be to well 52.

[redacted]

f. Notation of the applicant's surface and mineral rights within the vicinity of the proposed storage area.

DEC Comment: Such notation must be included with the applicant's storage rights affidavit required in below Item 10.

Finger Lakes Response: Ownership information is now included on the map. In addition, as noted below, a storage rights affidavit, storage rights tabulation, and storage rights map is attached as **Exhibit E.**

6. **Reservoir Suitability Report** - This report must document suitability of the reservoir for storage. The report must include a cavern development plan & geomechanical (including finite element analysis) study including and analyzing, but not necessarily limited to, items listed below. Note that the geomechanical study must use supportable baseline cavern information and a justifiable projection for future cavern growth – existing cavern size(s) and shape(s) must be based on reliable information such as historical cavern development records and recent sonar surveys.

DEC Comment: On pages 9 & 10 of the storage application, Finger Lakes indicates that it does not intend to perform any cavern/gallery specific Finite Element Analysis ("FEA") [or Finite Difference Analysis ("FDA")] for proposed LPG storage Galleries 1 and 2, and instead proposes to rely on SLSI's 2002 natural gas storage analysis for Gallery 2. This proposal is not acceptable to the Department, and is fundamentally flawed because the 2002 analysis was performed on a no-growth natural gas storage cavern/gallery. We concur that a natural gas cavern analysis is typically more rigorous than a LPG analysis because of the operating range associated with such operations but Finger Lakes has stated that it anticipates its galleries will grow at a rate of approximately 1-2% annually due to operational solution mining. The Department estimates the caverns will double in capacity in approximately 35 years using an annual operational solution mining growth rate of 2%. We agree with Finger Lakes that future sonar surveying may reveal some cavern capacity being masked by bulking of insolubles forming the rubble pile. However, from a structural perspective, the storage galleries will not be static and will grow over time. Finger Lakes must take this growth into account in its analysis and evaluation of the caverns, and demonstrate stability and containment of LPG over the projected life of the project. Gallery interaction between proposed storage Galleries 1 and 2 must be analyzed over the entire projected life of the facility. A prediction of the time required for each gallery to grow from its existing capacity to proposed ultimate capacity based on individual cavern characteristics and proposed operation of individual wells (i.e., injection, withdrawal) must he included in the required geomechanical analysis. Modeled dimensions must be provided in the required geomechanical analysis. Minimum and maximum operating pressures, including MIT pressures, must be stated and considered in the required geomechanical analysis. A prediction of total subsidence at the end of the operating life of the project must be included.

In addition, because of the close proximity of New York State Electric and Gas' ("NYSEG") existing natural gas storage operation, the required geomechanical analysis

and report must include a gallery interaction study, under all existing and proposed operating and testing conditions, which analyzes currently permitted operations at NYSEG's existing storage cavern and operation of Finger Lakes' proposed LPG storage galleries over the proposed life of the Finger Lakes' facility. A copy of NYSEG's 1995 Underground Storage Permit with allowable operating pressures was previously provided to the applicant. A copy of the gallery interaction study must he provided to Mr. Mark Cole of NYSEG at the same time the interaction study is provided to the Department, and proof of delivery of such to NYSEG must be provided to the Department.

Finger Lakes Response: [redacted]

[redacted]

a. Geologic cross-sections of the area shown on the map listed in item 5 showing lithologies, storage wells (including casing strings and setting depths) and overlying and underlying formations, and vertical profiles of the existing and ultimate caverns including all prior sonar surveys. These cross-sections must also depict any faults or other structural or stratigraphic features that affect either continuity and extent of the formations shown or effectiveness of containment of gas in the storage reservoir.

DEC Comment: Cross-sections of Galleries 1 and 2 are included in Finger Lakes' application as Exhibits 5 and 6 respectively. Some additional cross-sections for Gallery 2 are included in Exhibit 10. However, these cross-sections do not satisfy the Department's informational requirements as previously requested. Finger Lakes may add information to the previously submitted cross-sections or provide focused cross-sections of the proposed storage caverns with the required additional information. All interconnections through rubble piles must be identified on the cross-sections to show communication, where appropriate, within each gallery and storage capacity. A single gallery outline must be provided for both existing and proposed ultimate conditions for Galleries 1 and 2. For Gallery 1, distinct salt and "rock" units and cavern development within such must be identified similar to what was already provided for Gallery 2 (Exhibit 6). However, for both Gallery 1 and 2 cross-sections, the standardized salt unit naming convention ("D, E, F," sequence starts at bottom, see Figure 3-1 of Exhibit 10

[3] As the Department is aware, Inergy Midstream, LLC has entered into an agreement to acquire NYSEG's Seneca Storage Facility.

and "Stratigraphy of the Upper Silurian Salina Group, New York, Pennsylvania, Ohio, Ontario," Map and Chart Series Number 12, New York State Museum and Science Service, Rickard, 1969.) must be used instead of naming units numerically from top to bottom. The cross-section must include a notation of the method by which the existing outline was determined (e.g., sonar survey, production records). For the purpose of this application (and permit, if and when issued), all water-filled capacity, including any in rubble pile, is considered potential product storage capacity regardless of how deep Finger Lakes intends to set its brine strings. All current and past sonar surveys (outermost outline) must be included on the cross-sections to facilitate identification of rubble-filled portions of each gallery and cavern growth characteristics. Finger Lakes may submit as many cross-sections as needed to clearly display the requested information, however; all sonar survey outlines should be shown and appropriately labeled on a single cross-section. The Department has previously run sonar survey information (excluding the 2009 surveys) in its files as follows: Well Nos. 34, 43 & 44 - 1997, 1999, 2001, 2002, 2004 and Well No. 30 – 1997. The Department does not have the "8/16/78 Sonar Survey" noted and shown on Exhibit 5 – please provide a copy of the referenced 1978 sonar survey. The Department does not have the "July 1978" sonar survey for Well No. 30 noted on page 6 of Exhibit 10 — please provide a copy of the survey. All requested cross-sections must correspond to the map or maps requested in above Item 5.

Finger Lakes Response: [redacted]

[redacted]

b. Discussion of the information illustrated on the cross-sections described above. Any zones or planes of weakness referenced in other published reports (e.g., Jacoby) potentially affecting the suitability of the reservoir for storage must be documented and explained in the Reservoir Suitability Report.

DEC Comment: Discussion of the project's regional and local geology and structural features is included on pages 1, 2, 3, 6, 7, 8 and pages 11 through 15 of Exhibit 10. On page 3, Finger Lakes states "The overlying sediments are characterized by broad, gentle east-west synclines and anticlines with axes generally paralleling the sharp folds of the underlying evaporates." Finger Lakes' discussion on page 8 of its application includes statements from Jacoby and Dellwig that "The structure contour map on top of the salt gives no indication of the faults breaking up into the overlying sediments" and that the "zones or planes of weakness" referenced in the same paper are confined to the salt section. For proposed storage Gallery 1, while general statements are made regarding the continuity of the Camillus Shale, it is unclear from the discussion in the application if Finger Lakes has performed its own independent analysis and evaluated each well's geophysical logs (along a north-south line running through Gallery 1 from Well No. 18 or 57 to Well No. 31 and an applicant-selected representative east-west line through Gallery 1) to determine if repeat or missing sections occur as an indication off faulting in the caprock overlying the Syracuse salts. Please provide analysis if previously prepared. If such an analysis has not been performed, please do so and provide results. If the analysis shows that faults are present, they must be shown on the cross-sections. The objective of this requirement is to demonstrate the lack of potential pathways for the escape of stored product.

Finger Lakes Response: [redacted]

c. Discussion of any core test results including caprock and salt properties.

DEC Comment: Addressed by Item 7.3 and Exhibits 8 & 9 of Finger Lakes' storage application. Please explain how the referenced cores correlate to Finger Lakes' proposed Galleries 1 and 2. The caprock and salt properties discussed in Exhibits 8 & 9 should be used in the project-specific geomechanical analysis requested in Item 6.

Finger Lakes Response: [redacted]

[redacted]

e. Existing and proposed total storage capacity (i.e., water-filled capacity) which includes rubble pile capacity, if any, and minimum and maximum operating storage pressures. The underground storage permit for the facility will specify total capacity; any future increase in permitted total capacity, however caused, will require an underground storage modification permit in accordance with ECL §23-1301(5)(b).

DEC Comment: Page 2 of the storage application states that Gallery 1's existing capacity is "close to 5 million barrels" and Gallery 2 "will store 1,000,000 barrels." In addition, no proposed ultimate total storage capacities were provided by Finger Lakes except that Finger Lakes states on page 11 of its application that "The only increase in cavern dimensions will be about 1-2% annually by the displacement of hydrocarbon products with slightly undersaturated brine..."

For each gallery, please restate or state, in more precise terms a) existing total storage capacity (i.e., water-filled capacity) which includes rubble pile capacity, if any, b) proposed ultimate total storage capacity (i.e., water-filled capacity) which includes rubble pile capacity, if any, c) gallery length and span at proposed ultimate capacity, and d) operating storage pressures as follows for each proposed storage well: maximum storage pressure at the wellhead (psig), and minimum and maximum storage pressure gradients measured at the casing shoe (psi/ft) with corresponding casing shoe depth. For each gallery's stated existing and proposed ultimate capacity, explain how determined. Submission of a "Capacity Matrix" as was provided with the Savona LPG application would be one means of providing some of the above requested information.

Finger Lakes Response: [redacted]

[redacted]

f. Past and current sonar reports and surveys, and schedule for future sonar surveys. Sonar schedules must take into account the cavern development plan. Any other materials including other types of surveys and/or determinations of current cavern size and shape including records of prior cavern development. Directional surveys for wells for determining spatial relationship of caverns.

DEC Comment: Recently run sonars and directional surveys have been provided by Finger Lakes (or its parent Inergy Midstream, LLC). The Department also has some past sonar surveys for some of the subject wells in its files. Finger Lakes must provide a listing of all available sonars so that the Department can verify it already has a copy.

Finger Lakes states that Gallery 1 sonar surveying is complete at this time and that future sonars will be conducted at least every ten years. With regard to Gallery 2, Finger Lakes states that "When the wells for gallery 2 are redrilled or new wells drilled, new sonars will be performed (and periodically thereafter every 10 years). Directional surveys will also be performed when the new wells are drilled." It is the Department's understanding that no wells in Gallery 2 will be redrilled (see "Finger Lakes Gallery 2," page 12 of application). Please clarify.

Finger Lakes Response: [redacted]

h. Proposed safety and emergency shut-down systems for the storage facility. Upon review of items a through h, the Department may require additional geologic and/or engineering analysis to further support the applicant's proposed operations.

DEC Comment: If and when the storage permit is issued, prior to any injection of storage gas, Finger Lakes must provide two copies of its Emergency Response Manual to the Director of the Bureau of Oil & Gas Regulation in the Department's Albany office.

Finger Lakes Response: *Prior to any injection of LPG, Finger Lakes will provide two copies of its Emergency Response Manual to the Director of the Bureau of Oil & Gas Regulation in the Department's Albany office.*

7. **Subsidence monitoring plan.** The subsidence monitoring plan must take into account the cavern development plan.

DEC Comment: Finger Lakes' proposal to continue US Salt's subsidence monitoring schedule of every 5 years for the proposed LPG storage facility is not acceptable because US Salt's five-year program is designed for solution salt mining and not storage of hydrocarbons. Early detection is inherently more critical at hydrocarbon storage facilities. Consistent with existing subsidence monitoring programs at the Savona and Harford Mills LPG storage facilities, if and when the storage permit is issued, subsidence monitoring will be required at least every 2 years at all injection, withdrawal and plugged wells in each gallery. In addition to the storage and plugged wells in Galleries 1 and 2, please identify additional monuments or wells, if any, that will be included in Finger Lakes bi-annual subsidence surveying program when implemented.

Finger Lakes Response: *US Salt has been monitoring the elevations of wellheads and other subsidence monuments for decades and providing a report every 5 years. Experience has shown that as many monuments show a reduction in elevation show an increase in elevation. Much of the changes in elevation are due to the change in the weather from warm to cold. This phenomenon is universal and documented surveys show that there has been no significant subsidence across the field mainly due to the stiffness of the overlying formations.*

At the DEC's request, Finger Lakes will conduct subsidence monitoring at least every two (2) years at all injection, withdrawal, monitoring and plugged wells in each gallery. More specifically, Finger Lakes proposes to conduct bi-annual subsidence monitoring on wells in Gallery 1 (well 33, 34, 43, 44 and FL 1 (when drilled), and Gallery 2 (well 58). Monuments will include Mon 20/42, Mon 20/02, BM 77-1, BM 77-2, BM 77-3 and BM USGS95 which are used by US Salt for their subsidence program.

8. **Mechanical integrity testing ("MIT") plan.** Proposed MIT pressures must be accounted for in the geomechanical analysis.

DEC Comment: On page 13 of its application Finger Lakes states that it will conduct a nitrogen/brine interface MIT at all storage wells prior to first injection of product and thereafter at least every five years. Please state proposed MIT test pressure for each well (Galleries 1 and 2) in psi/ft. Test pressures must be taken into account in the required geomechanical study. In addition, if and when the storage permit is issued and prior to injection of product, Finger Lakes will be required to submit for Department review and approval a summary of test data and a narrative report detailing the results of all MITs.

Finger Lakes Response: [redacted]

[redacted]

9. **Well Status and Condition Report.** The purpose of this report is to show that prior to commencement of storage operations, the condition of all wells located within and immediately adjacent to the storage area is such that storage gas containment is not compromised. Please include the following items.

a. A well summary covering all plugged and unplugged wells which documents the well use histories and current status or downhole condition of each well.

DEC Comment: See response to below Item 9b.

Finger Lakes Response: *See response to Item 9b.*

b. A proposed remediation plan for wells described in item a above which are not adequately completed or plugged to ensure storage gas containment.

DEC Comment: With respect to Items a and b above, Finger Lakes provided information on the wells in proposed storage Galleries 1 and 2 as Tab D of its storage application, and at other locations within the application. Well construction and well history information is also included on page 4 of the storage application. Please provide a well diagram showing existing casing and cement for each plugged and unplugged well in Galleries 1 and 2. The diagrams for existing and proposed plugged wells must show the location of existing or proposed mechanical and/or cement plugs in the wellbore. Information on the historical use of Gallery 2 for LPG storage is provided on page 4 of the storage application and in Exhibit 10. Details and results of the Vertilog well casing evaluation logs recently run on the wells during re-entry are provided on page 5 of the storage application. Well Nos. 33 and 44 were recently relined to ensure integrity of the storage system. Provide an explanation as to why well No. 43 does not require relining.

For proposed storage Gallery 2, Finger Lakes' intended use of Well No. 30 is unclear. Page 2 of Tab D states "will be converted to LPG storage" while page 12 of the application states "Finger Lakes plans to replug and abandon well 30..." Please clarify.

Finger Lakes did not provide any information on wells "immediately adjacent to the storage area" as requested in Item 9. For the purpose of this requirement, immediately adjacent is defined as all wells in a cavern or gallery within 500 feet of the ultimate cavern outlines for proposed storage Galleries 1 and 2. For all identified immediately adjacent wells, provide well name, number, API No., current status, year

plugged, if-applicable, and well owner's name. For clarification sake, a tabulation of all wells (Galleries I and 2, and immediately adjacent) documenting each well's current status, proposed status and remedial or plugging work already performed or required is requested.

Finger Lakes Response: *The Well Status and Condition Report has been revised and is attached to the revised Reservoir Suitability Report. Well diagrams for all wells in Galleries 1 and 2 and wells immediately adjacent are also attached to the revised Reservoir Suitability Report.*

c. A proposed monitoring/observation well protocol, if any, which lists proposed monitoring/observation wells, identities their locations and describes the purpose, methodology and frequency of the planned monitoring and observation.

DEC Comment: Finger Lakes did not identify any permanent monitoring or observation wells for its proposed LPG storage facility. Please confirm that Finger Lakes will not have any dedicated monitoring or observation wells.

Finger Lakes Response: *Finger Lakes plans on utilizing wells 43 and 44 as monitoring wells and only for product movement if necessary.*

Prior to commencing any work on an existing or new well, including re-entry, drilling, conversion and plugging, the applicant must contact the Regional Minerals Manager to determine application, notification and/or permitting requirements for individual wells in accordance with 6NYCRR Parts 550-559.

10. **Storage Rights Affidavit** - Please provide an affidavit stating that the applicant has acquired at least 75% of the storage rights within the proposed storage formation in the reservoir and buffer zone, and reference and include a lease tract map. In addition to the affidavit itself, include a tabulation which corresponds to the lease tract map of the names and complete mailing addresses of all surface owners within and adjacent to the proposed storage area (reservoir and buffer zone).

DEC Comment: Finger Lakes did not provide the requested lease tract map and tabulation. Finger Lakes must provide a new affidavit, lease tract map (including ultimate cavern outlines) and tabulation.

Finger Lakes Response: *A storage rights affidavit, storage rights tabulation, and storage rights map is attached as* ***Exhibit E****.*

<u>Other Comments/Questions</u>

Page 1, 1st paragraph – The statement "US Salt has been in the business of salt production for over 100 years by solution salt mining underground salt deposits on property adjacent to Seneca Lake" is incorrect as written. The sentence should be revised to state "US Salt and its predecessors at the facility...." US Salt's predecessors at the facility include Cargill, Akzo-Nobel, Akzo and International Salt.

Finger Lakes Response: *This has been corrected in the Reservoir Suitability Report.*

2. Page 2, 5th paragraph – Finger Lakes states "Brine circulated from the caverns will be stored in one or more above-ground ponds." Please clarify the location of the multiple ponds that may be used to store brine.

Finger Lakes Response: *There will be one (1) brine pond. This has been clarified in the revised Reservoir Suitability Report.*

3. Page 4, 2nd full paragraph – Finger Lakes states "The wells were abandoned in 1986 then the storage contract terminated with TEPPCO since they required a larger volume of storage than what US Salt was willing to provide" is incorrect as written. US Salt did not own the subject facility in 1986. The sentence should be revised to state "...than what one of US Salt's predecessors at the facility was willing to provide."

Finger Lakes Response: *The sentence has been corrected in the revised Reservoir Suitability Report.*

4. [redacted]

5. [redacted]

6. Page 5, 3rd full paragraph – Finger Lakes states "These tools are important to the operation of the reservoir since repetitive and comparative logs will alert Finger Lakes to any changes that might affect the well and cavern operation." What is Finger Lakes schedule for running comparative gamma ray and neutron logs?

Finger Lakes Response: *Finger Lakes will run comparative gamma ray and neutron logs at the same time sonars are performed.*

7. Page 5, last full paragraph – Finger Lakes states "Finger Lakes and Inergy are cognizant of the overall pressures required for safe operations of hydrocarbon storage caverns based

on years of experience and will never permit leakage that would jeopardize the public or USDW." At what frequency will Finger Lakes monitor the wellhead pressures of its storage wells to ensure safe operation of its facility? It is understood that Finger Lakes Emergency Response Manual will be provided at a later date per above Item 6h.

Finger Lakes Response: *Finger Lakes' operations manual will specify that wellhead pressures are monitored on a daily basis.*

8. Page 6, 1st full paragraph – Finger Lakes states "The actual extent of the cavern...is based on the hydrostatic testing that took place." Please elaborate and explain this statement.

Finger Lakes Response: *This sentence has been deleted in the revised Reservoir Suitability Report.*

9. [redacted]

10 Page 6, 3rd full paragraph – Finger Lakes states "New sonars of caverns for the proposed Finger Lakes Gallery 1 showed the salt pillar thickness relationship..." Information on the existing salt pillar thicknesses is important. However, Finger Lakes neglected to include information on salt pillar thicknesses at the end of the life of the project (i.e., ultimate cavern dimensions for Galleries 1 and 2). As previously noted, this information must he included and analyzed as part of Finger Lakes application.

Finger Lakes Response: *Salt pillar thicknesses are shown on the revised maps being submitted with the revised Reservoir Suitability Report.*

11. Page 11, last full paragraph – There appears to be a typo or missing word in the sentence containing "...and used for hydrocarbon storage."

Finger Lakes Response: *This has been corrected.*

12. [redacted]

[redacted]

13. Exhibit 15, Mechanical Integrity Test Procedures – Finger Lakes states "The U.S. Environmental Protection Agency (USEPA) requires that storage wells undergo a mechanical integrity test (MIT) prior to fluid injection in order to assure protection of the underground source of drinking water (USDW)." For clarification sake, the USEPA does not regulate LPG storage wells where no active solution mining is occurring such as Finger Lakes' proposal. Wells used for the injection of LPG are specifically excluded under the USEPA's Underground Injection Control (UIC) Program. See CFR Part 144 which states "(2) Specific exclusions. The following are not covered by these regulations: (iv) Injection wells used for injection of hydrocarbons which are of pipeline quality and are gases at standard temperature and pressure for the purpose of storage." (http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=e836eb638bc78ea602d31da7d5dca6dc&rgn=div8&view=text&note=40:22.0.1.1.6.1.35.1&idno=40). While the USEPA can require a "gas" MIT for Class 3 solution mining wells, its standard test uses brine which is not satisfactory to the Department for underground gas storage MIT purposes. Nevertheless, the Department appreciates Finger Lakes' intent that all storage wells will be tested prior to storage service, and the fact that Finger Lakes states elsewhere in its application that all storage wells in Galleries 1 and 2 will be tested using the nitrogen/brine interface test prior to product storage.

Finger Lakes Response: *The MIT Procedures have been revised to reflect the Department's comments and these are included with the revised Reservoir Suitability Report.*

EXHIBITS TO RESPONSE TO NOIA

Exhibit A – Application to Transfer Wells in Galleries 1 and 2 to Finger Lakes

Exhibit B – Revised EAF

Exhibit C – List of sonars for each well within Galleries 1 and 2 and the other wells in the immediate vicinity

Exhibit D- SOCON Letter dated April 5, 2010

Exhibit E – Storage Rights Affidavit, Storage Rights Tabulation, and Storage Rights Map

Exhibit F – Summary of Hydrotesting for Gallery 1

Exhibit A

ORIGINALS TO J. DOTT
5/18/2010
PSB

85-12-9 (2/06)–10g

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION
DIVISION OF MINERAL RESOURCES
625 BROADWAY - 3RD FLOOR, ALBANY, NY 12233-6500

REQUEST FOR WELL TRANSFER

Submit One Original

DEPARTMENT USE ONLY

The Department of Environmental Conservation hereby approves this request for transfer.

BY _____ _____
Signature Date

A request is made to the New York State Department of Environmental Conservation for approval of **Transfer of Well Responsibilities.**

FROM Inergy Midstream, LLC (Transferor)

TO Finger Lakes LPG Storage, LLC (Transferee)

ADDRESS Two Brush Creek Blvd., Suite 200 (Complete Mailing Address)
Kansas City, MO 64112

TELEPHONE NUMBER (include area code) (816) 329-5344 for the following wells located in the

COUNTY OF Schuyler (Each county requires a separate form)

WELL NAME AND NUMBER	API WELL IDENTIFICATION NUMBER
1. Well 33	31-097-52932-00-01
2. Well 43	31-097-61199-00-01
3. Well 34	31-097-61190-00-01
4. Well 44	31-097-61200-00-01
5.	31- - -
6.	31- - -
7.	31- - -
8.	31- - -
9.	31- - -
10.	31- - -

ATTACH LIST(S) OF ADDITIONAL WELLS WHEN NECESSARY

The transferee acknowledges, upon Department approval of this request, that it is legally responsible for all aspects of each well including but not limited to, keeping records, filing reports, maintaining financial security, operating in a safe and environmentally sound manner and properly plugging and abandoning each well as required by the Environmental Conservation Law and the Rules and Regulations. For wells that require financial security pursuant to ECL §23-0305, this request must be accompanied by proof of sufficient financial security acceptable to the Department.

The transferor acknowledges, until the Department approves the requested transfer, that it remains legally responsible for all aspects of each well including but not limited to, maintaining financial security, annual reporting and the proper plugging and abandonment of the well(s).

Part of the processing of this request may include a site inspection of each well. Any and all deficiencies found must be remediated to the Department's satisfaction before the transfer will be approved.

TYPE OR PRINT NAME OF AUTHORIZED PERSON – TRANSFEROR		TYPE OR PRINT NAME OF AUTHORIZED PERSON – TRANSFEREE	
William R. Moler, Senior Vice President		William R. Moler, Senior Vice President	
SIGNATURE OF TRANSFEROR: W R Moler	DATE: 5-4-10	SIGNATURE OF TRANSFEREE: W R Moler	DATE: 5-4-10
SWORN TO AND SUBSCRIBED BEFORE ME, THIS 4th DAY OF MAY 2010 NOTARY PUBLIC Eileen Braznell	NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI — EILEEN BRAZNELL My Commission Expires March 30, 2012 Jackson County Commission #08518323	SWORN TO AND SUBSCRIBED BEFORE ME, THIS 4th DAY OF MAY 2010 NOTARY PUBLIC Eileen Braznell	NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI — EILEEN BRAZNELL My Commission Expires March 30, 2012 Jackson County Commission #08518323

85-12-9 (2/06)–10g

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION
DIVISION OF MINERAL RESOURCES
625 BROADWAY - 3RD FLOOR, ALBANY, NY 12233-6500

REQUEST FOR WELL TRANSFER

Submit One Original

DEPARTMENT USE ONLY
The Department of Environmental Conservation hereby approves this request for transfer.
BY _____ Signature _____ Date

A request is made to the New York State Department of Environmental Conservation for approval of **Transfer of Well Responsibilities.**

FROM US Salt LLC (Transferor)

TO Finger Lakes LPG Storage, LLC (Transferee)

ADDRESS Two Brush Creek Blvd., Suite 200 (Complete Mailing Address)

Kansas City, MO 64112

TELEPHONE NUMBER (include area code) (816) 329-5344 for the following wells located in the

COUNTY OF Schuyler (Each county requires a separate form)

WELL NAME AND NUMBER	API WELL IDENTIFICATION NUMBER
1. Well 58	31-097-21467-00-01
2.	31-- - - - -
3.	31-- - - - -
4.	31-- - - - -
5.	31-- - - - -
6.	31-- - - - -
7.	31-- - - - -
8.	31-- - - - -
9.	31-- - - - -
10.	31-- - - - -

ATTACH LIST(S) OF ADDITIONAL WELLS WHEN NECESSARY

The transferee acknowledges, upon Department approval of this request, that it is legally responsible for all aspects of each well including but not limited to, keeping records, filing reports, maintaining financial security, operating in a safe and environmentally sound manner and properly plugging and abandoning each well as required by the Environmental Conservation Law and the Rules and Regulations. For wells that require financial security pursuant to ECL §23-0305, this request must be accompanied by proof of sufficient financial security acceptable to the Department.

The transferor acknowledges, until the Department approves the requested transfer, that it remains legally responsible for all aspects of each well including but not limited to, maintaining financial security, annual reporting and the proper plugging and abandonment of the well(s).

Part of the processing of this request may include a site inspection of each well. Any and all deficiencies found must be remediated to the Department's satisfaction before the transfer will be approved.

TYPE OR PRINT NAME OF AUTHORIZED PERSON – TRANSFEROR		TYPE OR PRINT NAME OF AUTHORIZED PERSON – TRANSFEREE	
William R. Moler, Senior Vice President		William R. Moler, Senior Vice President	
SIGNATURE OF TRANSFEROR	DATE 5-4-10	SIGNATURE OF TRANSFEREE 5-4-10	DATE
SWORN TO AND SUBSCRIBED BEFORE ME, THIS 4th DAY OF MAY 20 10 NOTARY PUBLIC Eileen Braznell	NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI EILEEN BRAZNELL My Commission Expires March 30, 2012 Jackson County Commission #08518323	SWORN TO AND SUBSCRIBED BEFORE ME, THIS 4th DAY OF MAY 20 10 NOTARY PUBLIC Eileen Braznell	NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI EILEEN BRAZNELL My Commission Expires March 30, 2012 Jackson County Commission #08518323

Exhibit B

617.20
Appendix A
State Environmental Quality Review
FULL ENVIRONMENTAL ASSESSMENT FORM

Purpose: The full EAF is designed to help applicants and agencies determine, in an orderly manner, whether a project or action may be significant. The question of whether an action may be significant is not always easy to answer. Frequently, there are aspects of a project that are subjective or unmeasurable. It is also understood that those who determine significance may have little or no formal knowledge of the environment or may not be technically expert in environmental analysis. In addition, many who have knowledge in one particular area may not be aware of the broader concerns affecting the question of significance.

The full EAF is intended to provide a method whereby applicants and agencies can be assured that the determination process has been orderly, comprehensive in nature, yet flexible enough to allow introduction of information to fit a project or action.

Full EAF Components: The full EAF is comprised of three parts:

Part 1: Provides objective data and information about a given project and its site. By identifying basic project data, it assists a reviewer in the analysis that takes place in Parts 2 and 3.

Part 2: Focuses on identifying the range of possible impacts that may occur from a project or action. It provides guidance as to whether an impact is likely to be considered small to moderate or whether it is a potentially-large impact. The form also identifies whether an impact can be mitigated or reduced.

Part 3: If any impact in Part 2 is identified as potentially-large, then Part 3 is used to evaluate whether or not the impact is actually important.

THIS AREA FOR LEAD AGENCY USE ONLY

DETERMINATION OF SIGNIFICANCE -- Type 1 and Unlisted Actions

Identify the Portions of EAF completed for this project: ☐ Part 1 ☐ Part 2 ☐ Part 3

Upon review of the information recorded on this EAF (Parts 1 and 2 and 3 if appropriate), and any other supporting information, and considering both the magnitude and importance of each impact, it is reasonably determined by the lead agency that:

☐ A. The project will not result in any large and important impact(s) and, therefore, is one which **will not** have a significant impact on the environment, therefore **a negative declaration will be prepared.**

☐ B. Although the project could have a significant effect on the environment, there will not be a significant effect for this Unlisted Action because the mitigation measures described in PART 3 have been required, therefore **a CONDITIONED negative declaration will be prepared.***

☐ C. The project may result in one or more large and important impacts that may have a significant impact on the environment, therefore **a positive declaration will be prepared**.

*A Conditioned Negative Declaration is only valid for Unlisted Actions

Finger Lakes LPG Storage Facility
Name of Action

New York State Department of Environmental Conservation
Name of Lead Agency

Print or Type Name of Responsible Officer in Lead Agency

Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Signature of Preparer (If different from responsible officer)

website

Date

PART 1--PROJECT INFORMATION
Prepared by Project Sponsor

NOTICE: This document is designed to assist in determining whether the action proposed may have a significant effect on the environment. Please complete the entire form, Parts A through E. Answers to these questions will be considered as part of the application for approval and may be subject to further verification and public review. Provide any additional information you believe will be needed to complete Parts 2 and 3.

It is expected that completion of the full EAF will be dependent on information currently available and will not involve new studies, research or investigation. If information requiring such additional work is unavailable, so indicate and specify each instance.

Name of Action Finger Lakes Storage Facility

Location of Action (include Street Address, Municipality and County)

State Routes 14 - Route 14A

Name of Applicant/Sponsor Finger Lakes LPG Storage, LLC

Address Two Brush Creek Boulevard Suite 200

City / PO Kansas City State MO Zip Code 64112

Business Telephone 816-329-5344

Name of Owner (if different)

Address

City / PO State Zip Code

Business Telephone

Description of Action:

See Attached

Please Complete Each Question--Indicate N.A. if not applicable

A. SITE DESCRIPTION

Physical setting of overall project, both developed and undeveloped areas.

1. Present Land Use: ☐ Urban ☐ Industrial ☐ Commercial ☐ Residential (suburban) ☑ Rural (non-farm)
   ☐ Forest ☑ Agriculture ☐ Other _____

2. Total acreage of project area: 67 acres.

APPROXIMATE ACREAGE	PRESENTLY	AFTER COMPLETION
Meadow or Brushland (Non-agricultural)	26 acres	_____ acres
Forested	20 acres	_____ acres
Agricultural (Includes orchards, cropland, pasture, etc.)	21 acres	_____ acres
Wetland (Freshwater or tidal as per Articles 24,25 of ECL)	_____ acres	_____ acres
Water Surface Area	_____ acres	20 acres
Unvegetated (Rock, earth or fill)	_____ acres	_____ acres
Roads, buildings and other paved surfaces	_____ acres	11 acres
Other (Indicate type) Mowed Stormwater Control	_____ acres	36 acres

3. What is predominant soil type(s) on project site? Lansing
   a. Soil drainage: ☐ Well drained ____% of site ☐ Moderately well drained ____% of site.
   ☑ Poorly drained 100 % of site
   b. If any agricultural land is involved, how many acres of soil are classified within soil group 1 through 4 of the NYS Land Classification System? 5 acres (see 1 NYCRR 370).

4. Are there bedrock outcroppings on project site? ☑ Yes ☐ No
   a. What is depth to bedrock 2 (in feet)

5. Approximate percentage of proposed project site with slopes:
   ☐ 0-10% ____% ☑ 10- 15% 90 % ☑ 15% or greater 10 %

6. Is project substantially contiguous to, or contain a building, site, or district, listed on the State or National Registers of Historic Places? ☐ Yes ☑ No

7. Is project substantially contiguous to a site listed on the Register of National Natural Landmarks? ☐ Yes ☑ No

8. What is the depth of the water table? varies (in feet)

9. Is site located over a primary, principal, or sole source aquifer? ☐ Yes ☑ No

10. Do hunting, fishing or shell fishing opportunities presently exist in the project area? ☑ Yes ☐ No

11. Does project site contain any species of plant or animal life that is identified as threatened or endangered? ☐ Yes ☒ No

According to:

NYS DEC Resource Mapper

Identify each species:

12. Are there any unique or unusual land forms on the project site? (i.e., cliffs, dunes, other geological formations?

☒ Yes ☐ No

Describe:

Waterfalls and cliffs in unaffected areas

13. Is the project site presently used by the community or neighborhood as an open space or recreation area?

☐ Yes ☒ No

If yes, explain:

14. Does the present site include scenic views known to be important to the community? ☒ Yes ☐ No

Views of Seneca Lake

15. Streams within or contiguous to project area:

Two Class C tributaries to Seneca Lake - Unnamed

a. Name of Stream and name of River to which it is tributary

16. Lakes, ponds, wetland areas within or contiguous to project area:

Seneca Lake

b. Size (in acres):

43,343

17. Is the site served by existing public utilities? ☒ Yes ☐ No

a. If **YES**, does sufficient capacity exist to allow connection? ☐ Yes ☒ No

b. If **YES**, will improvements be necessary to allow connection? ☒ Yes ☐ No

18. Is the site located in an agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304? ☐ Yes ☒ No

19. Is the site located in or substantially contiguous to a Critical Environmental Area designated pursuant to Article 8 of the ECL, and 6 NYCRR 617? ☐ Yes ☒ No

20. Has the site ever been used for the disposal of solid or hazardous wastes? ☐ Yes ☒ No

B. Project Description

1. Physical dimensions and scale of project (fill in dimensions as appropriate).

a. Total contiguous acreage owned or controlled by project sponsor: 576 acres.

b. Project acreage to be developed: 11 acres initially; 11 acres ultimately.

c. Project acreage to remain undeveloped: 565 acres.

d. Length of project, in miles: 1.3 (if appropriate)

e. If the project is an expansion, indicate percent of expansion proposed. ____ %

f. Number of off-street parking spaces existing 0 ; proposed 12

g. Maximum vehicular trips generated per hour: 4 (est) (upon completion of project)?

h. If residential: Number and type of housing units:

	One Family	Two Family	Multiple Family	Condominium
Initially				
Ultimately				

i. Dimensions (in feet) of largest proposed structure: 15 height; 40 width; 60 length.

j. Linear feet of frontage along a public thoroughfare project will occupy is? 430 ft.

2. How much natural material (i.e. rock, earth, etc.) will be removed from the site? See Table A tons/cubic yards.

3. Will disturbed areas be reclaimed ☒ Yes ☐ No ☐ N/A

a. If yes, for what intended purpose is the site being reclaimed?

Stormwater control

b. Will topsoil be stockpiled for reclamation? ☒ Yes ☐ No

c. Will upper subsoil be stockpiled for reclamation? ☒ Yes ☐ No

4. How many acres of vegetation (trees, shrubs, ground covers) will be removed from site? 20 acres.

5. Will any mature forest (over 100 years old) or other locally-important vegetation be removed by this project?

   ☒ Yes ☐ No

6. If single phase project: Anticipated period of construction: 8 months, (including demolition)

7. If multi-phased:

   a. Total number of phases anticipated _____ (number)

   b. Anticipated date of commencement phase 1: _____ month _____ year, (including demolition)

   c. Approximate completion date of final phase: _____ month _____ year.

   d. Is phase 1 functionally dependent on subsequent phases? ☐ Yes ☐ No

8. Will blasting occur during construction? ☐ Yes ☒ No

9. Number of jobs generated: during construction 50 ; after project is complete 8-10

10. Number of jobs eliminated by this project 0 .

11. Will project require relocation of any projects or facilities? ☐ Yes ☒ No

    If yes, explain:

12. Is surface liquid waste disposal involved? ☐ Yes ☒ No

    a. If yes, indicate type of waste (sewage, industrial, etc) and amount _____

    b. Name of water body into which effluent will be discharged _____

13. Is subsurface liquid waste disposal involved? ☒ Yes ☐ No Type Septic - two restrooms in control room

14. Will surface area of an existing water body increase or decrease by proposal? ☐ Yes ☒ No

    If yes, explain:

15. Is project or any portion of project located in a 100 year flood plain? ☐ Yes ☒ No

16. Will the project generate solid waste? ☒ Yes ☐ No

    a. If yes, what is the amount per month? unk tons

    b. If yes, will an existing solid waste facility be used? ☒ Yes ☐ No

    c. If yes, give name permitted landfill ; location (by hauler)

    d. Will any wastes not go into a sewage disposal system or into a sanitary landfill? ☐ Yes ☒ No

e. If yes, explain:

17. Will the project involve the disposal of solid waste? ☐ Yes ☒ No

    a. If yes, what is the anticipated rate of disposal? _____ tons/month.

    b. If yes, what is the anticipated site life? _____ years.

18. Will project use herbicides or pesticides? ☐ Yes ☒ No

19. Will project routinely produce odors (more than one hour per day)? ☐ Yes ☒ No

20. Will project produce operating noise exceeding the local ambient noise levels? ☐ Yes ☒ No

21. Will project result in an increase in energy use? ☒ Yes ☐ No

    If yes, indicate type(s)

Electrical usage - New Line from NYSEG's existing line is part of the proposed project.

22. If water supply is from wells, indicate pumping capacity N/A gallons/minute.

23. Total anticipated water usage per day unk gallons/day.

24. Does project involve Local, State or Federal funding? ☐ Yes ☒ No

    If yes, explain:

25. Approvals Required:

			Type	Submittal Date
City, Town, Village Board	☐ Yes	☒ No		
City, Town, Village Planning Board	☐ Yes	☒ No		
City, Town Zoning Board	☐ Yes	☒ No		
City, County Health Department	☒ Yes	☐ No	Septic	
			Water Supply	
Other Local Agencies	☒ Yes	☐ No	Schuyler County	
Other Regional Agencies	☐ Yes	☒ No		
State Agencies	☒ Yes	☐ No	DEC - Stormwater	issed 9/10/09
			DEC - Underground Storage	10/13/09
			PSC - Pipelines	notify only
Federal Agencies	☐ Yes	☒ No	NYS DOT - Road borings	
			& Entrances	
			DEC - well drilling permits	

C. Zoning and Planning Information

1. Does proposed action involve a planning or zoning decision? ☐ Yes ☒ No

If Yes, indicate decision required:

☐ Zoning amendment ☐ Zoning variance ☐ New/revision of master plan ☐ Subdivision

☐ Site plan ☐ Special use permit ☐ Resource management plan ☐ Other

2. What is the zoning classification(s) of the site?

n/a

3. What is the maximum potential development of the site if developed as permitted by the present zoning?

n/a

4. What is the proposed zoning of the site?

none

5. What is the maximum potential development of the site if developed as permitted by the proposed zoning?

n/a

6. Is the proposed action consistent with the recommended uses in adopted local land use plans? ■ Yes ☐ No

7. What are the predominant land use(s) and zoning classifications within a ¼ mile radius of proposed action?

Agricultural / Commercial

8. Is the proposed action compatible with adjoining/surrounding land uses with a ¼ mile? ■ Yes ☐ No

9. If the proposed action is the subdivision of land, how many lots are proposed? N/A

   a. What is the minimum lot size proposed? N/A

10. Will proposed action require any authorization(s) for the formation of sewer or water districts? ☐ Yes ☒ No

11. Will the proposed action create a demand for any community provided services (recreation, education, police, fire protection?

☐ Yes ☒ No

a. If yes, is existing capacity sufficient to handle projected demand? ☐ Yes ☐ No

12. Will the proposed action result in the generation of traffic significantly above present levels? ☐ Yes ☒ No

a. If yes, is the existing road network adequate to handle the additional traffic. ☒ Yes ☐ No

D. Informational Details

Attach any additional information as may be needed to clarify your project. If there are or may be any adverse impacts associated with your proposal, please discuss such impacts and the measures which you propose to mitigate or avoid them.

E. Verification

I certify that the information provided above is true to the best of my knowledge.

Applicant/Sponsor Name Kevin M. Bernstein Date 4/27/10

Signature Kevin Bernstein

Title Counsel to Finger Lakes LPG Storage, LLC*

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment.

*Authorized to sign on behalf of Finger Lakes per October 20, 2009 letter from Finger Lakes to DEC

Table A to Finger Lakes LPG Storage
Full Environmental Assessment Form

Finger Lakes Cavern Volumes and Salt Tonnage Extracted or to be Extracted

Well Number	Sonar Volume	Cubic Feet (times)	Pounds Salt (times)	Existing Salt Tonnage (divided by) 2000	30% additional Mining	Ultimate Tonnage
	Barrels	5.615	135			
33	392,087	2,201,569	297,211,748	148,606	**44,582**	193,188
34	4,274,576	24,001,744	3,240,235,472	1,620,118	**486,035**	2,106,153
43 xx	959,109	5,385,397	727,028,600	363,514		363,514
44*****						
58**	512,212	2,876,070	388,269,501	194,135		194,135
128,212 Bbl lost in rubble						
Additional Mining for Storage	**316,000**	**1,774,340**	**239,535,900**		**119,768**	119,768
to reach 700,000 Bbls						
Add 30% of 700,000 created by operations	210,000	1,179,150	159,185,250		**79,593**	79,593
Grand Total	**6,663,984**	**37,418,270**	**5,051,466,472**	**2,326,373**	**729,978**	**3,056,351**
43 xx	No additional salt production planned/monitoring only					
44*****	Volume included in well 34 due to sonar overlap. To be used as monitoring well					
58**	**usable 384,000 out of 512,212**	**due to injection tubing depth limitation**			**384,000 included in 512,212 totals**	

International Gas Consulting
April 2010

Exhibit C

Exhibit D

Exhibit E

STORAGE RIGHTS AFFIDAVIT

State of Missouri)
)
County of Jackson)

William R. Moler, being first duly sworn, says that Finger Lakes LPG Storage, LLC, a limited liability company organized under the laws of Delaware and authorized to do business in the State of New York, has acquired by grant, lease, or other agreement at least seventy-five percent of the storage rights in the Finger Lakes multi-cycle liquefied petroleum gas (LPG) storage facility proposed in the Town of Reading, New York. A lease tract map of the Finger Lakes facility along with a storage rights tabulation is attached hereto. Finger Lakes LPG Storage, LLC agrees, as a condition to the issuance of an Underground Storage Modification Permit by the New York State Department of Environmental Conservation, that it will, within a reasonable time, acquire any outstanding storage rights in the remaining reservoir.

FINGER LAKES LPG STORAGE, LLC

By: _____
William R. Moler
Senior Vice President
Midstream Operations

SWORN to before me and subscribed
in my presence this 4th day of May, 2010.

Eileen Braznell
Notary Public

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

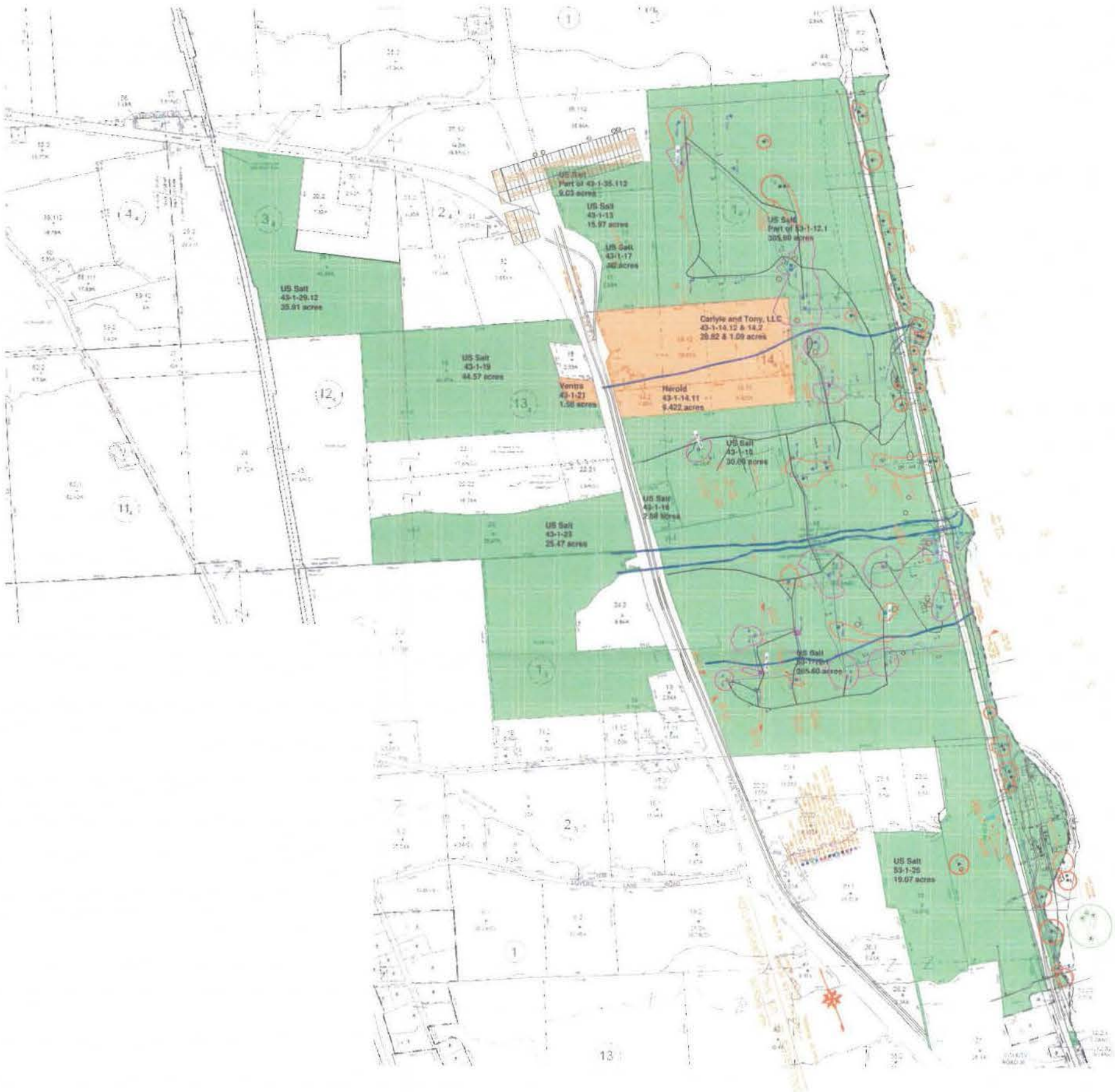
EILEEN BRAZNELL
My Commission Expires
March 30, 2012
Jackson County
Commission #08518323

Finger Lakes LPG Storage, LLC

Storage Rights Tabulation

Well	Owner	Ownership Interest	Tax Map Parcel
33	U.S. Salt, LLC	Fee	53-1-12.1
34	U.S. Salt, LLC	Fee	53-1-12.1
	Carlyle and Tony, LLC	Mineral Rights, including Gas Storage	43-1-14.12
43	U.S. Salt, LLC	Fee	53-1-12.1
44	U.S. Salt, LLC	Fee	53-1-12.1
58	U.S. Salt, LLC	Fee	43-1-15

Notes: Total acreage for Parcel 53-1-12.1 is 385.60 acres. Total acreage for Parcel 43-1-15 is 30.06 acres. Total acreage for Parcel 43-1-14.12 is 28.82 acres. Wells 33, 34, 43 and 44 are currently in the name of Inergy Midstream, LLC and will be transferred to Finger Lakes LPG Storage, LLC. Well 58 is currently in the name of U.S. Salt, LLC and will be transferred to Finger Lakes LPG Storage, LLC.



Finger Lakes LPG Storage, LLC (US Salt affiliate)

Carlyle & Tony, LLC	43.00-1-14.12 & 14.2	(Rights to bottom of salt)
Herold	43.00-1-14.11	(All mineral rights)
Ventra	43.00-1-21	(All mineral rights)

Exhibit F